# NC MEDICAID TRANSFORMATION: OVERVIEW FOR RETAIL PHARMACISTS

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# North Carolina's Vision for Medicaid Transformation

"To improve the health of North Carolinians through an innovative, whole-person centered, and well-coordinated system of care that addresses both the medical and non-medical drivers of health."

# Moving to NC Medicaid Managed Care

Approximately 1.5 million of the current 2.5 million Medicaid beneficiaries have transitioned to NC Medicaid Managed Care

- Beneficiaries have chosen or been auto enrolled into one of 5 Health Plans
  - AmeriHealth Caritas
  - Healthy Blue
  - United HealthCare Community Plan
  - WellCare
  - Carolina Complete Health:
    - Serving regions 3, 4, and 5


- Eastern Band of Cherokee Indians (EBCI) Tribal Option
  - Will manage the health care for North Carolina's approximate 4,000 Tribal Medicaid beneficiaries primarily in Cherokee, Graham, Haywood, Jackson, and Swain counties

***All health plans, all regions will go live on July 1, 2021***

# NC Medicaid Transformation Programs

NEW

## NC Medicaid Managed Care

- Name for new Medicaid program
- Offered by “health plans”
- There will be multiple types of health plans
- One health plan for most health services, including physical health, behavioral health, and pharmacy and addressing unmet health related resource needs

## NC Medicaid Direct

- New name for current Medicaid fee-for-service program
- Provides many of the same health services as health plans
- People who do not get their Medicaid services through a health plan will continue to receive health care through NC Medicaid Direct and LME/MCOs

***Every person who is eligible to get Medicaid will still get Medicaid.***

# Types of Health Plans

## Standard Plan

**Standard Plans** will provide integrated physical health, behavioral health, pharmacy and long-term services and support to most Medicaid beneficiaries, as well as programs and services that address other unmet health-related resource needs.

## Behavioral Health I/DD Tailored Plan

**Behavioral Health Intellectual/ Developmental Disability (I/DD) Tailored Plans** provide the same services as Standard Plans, plus specialized services for individuals with significant behavioral health conditions, I/DDs and traumatic brain injury, and people using state-funded and waiver services.

## EBCI Tribal Option

**The Eastern Band of Cherokee Indians (EBCI) Tribal Option** is a primary care case management entity available to federally recognized tribal members and others eligible for services through the Indian Health Service

# Managed Care Populations

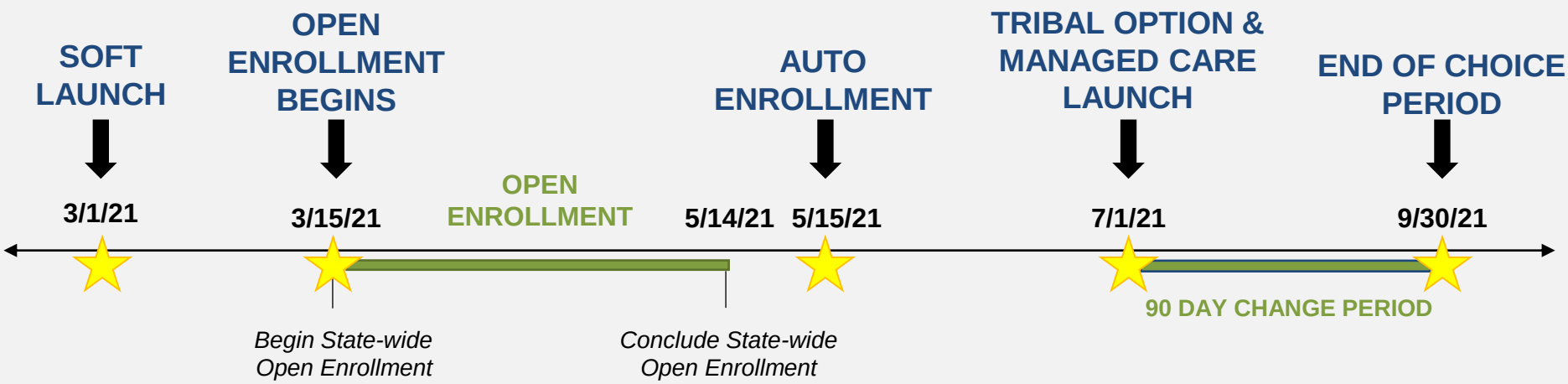
While most Medicaid beneficiaries have enrolled in NC Medicaid Managed Care, some people have not. The table below outlines who were required to enroll, who may have enrolled, and who could not enroll.

| MANDATORY | EXEMPT | EXCLUDED[1,2] |
|---|---|---|
| **Must enroll** in a health plan | **May enroll** in a health plan or stay in NC Medicaid Direct | **Cannot enroll** in a health plan; stay in NC Medicaid Direct |
| Most Family & Children's Medicaid, NC Health Choice, Pregnant Women, Non-Medicare Aged, Blind, Disabled | Federally recognized tribal members/IHS eligible beneficiaries, beneficiaries eligible for behavioral health Tailored Plans | Family Planning Program, Medically Needy, Health Insurance Premium Payment (HIPP), Program of All-Inclusive Care for the Elderly (PACE), Refugee Medicaid |

[1]Some individuals are temporarily excluded and become mandatory later. This includes dually-eligible Medicaid/Medicare, Foster Care/Adoption, Community Alternatives Program for Children (CAP-C), and Community Alternatives Program for Disabled Adults (CAP-DA).

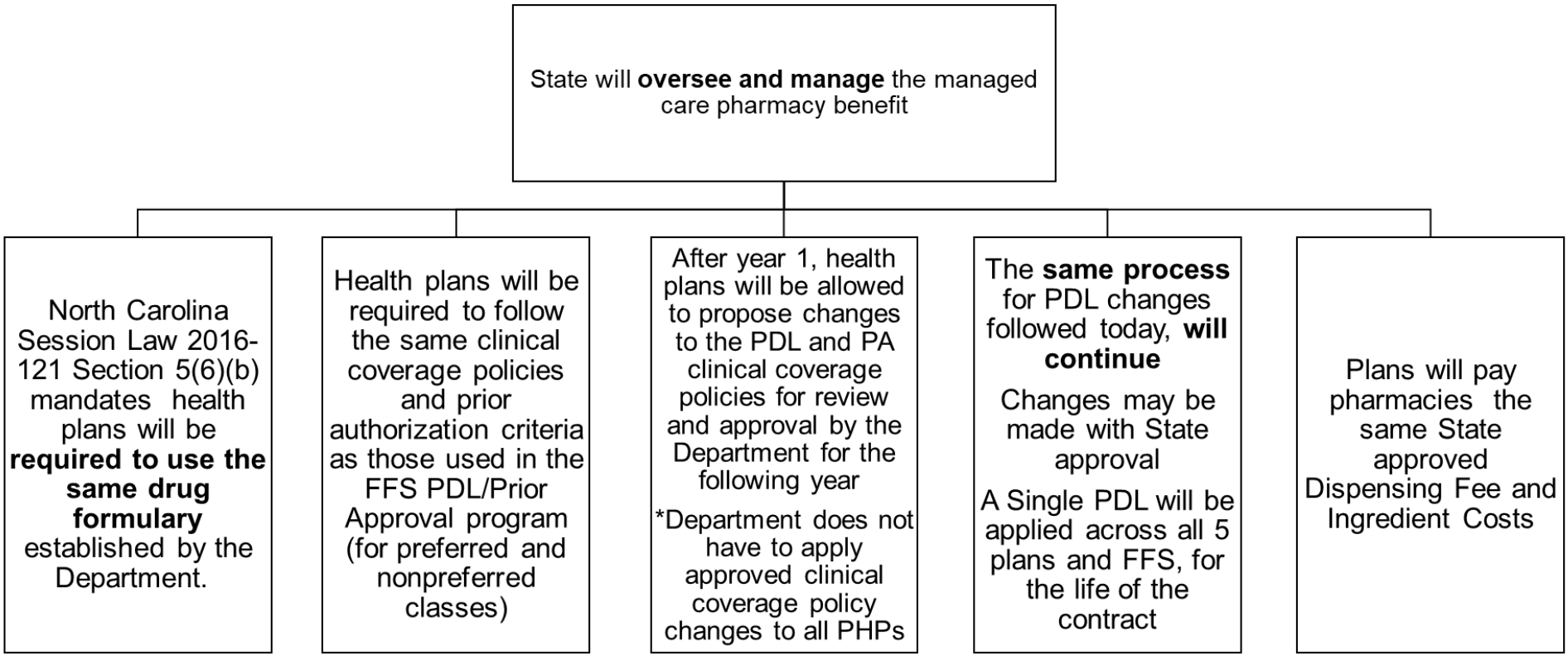
[2]Some federally recognized tribal members/IHS eligible beneficiaries are excluded and may enroll in the EBCI Tribal Option.

# NC Medicaid Transformation Timeline



# Pharmacy Benefit Design in Managed Care

**The pharmacy benefit will be a "carve-in" benefit in managed care.**



# Single Preferred Drug List (PDL)

- All plans follow NC Single PDL, in conjunction with an Open Formulary*
- All plans follow existing FFS policy and clinical criteria

**PDL approval process will remain the same after moving into managed care:**

**What Happens After Year 1?**

- Plans may make recommendations for the PDL, but recommendations go through the same consideration and approval process
- Changes approved will be made to the Single PDL and implemented across all plans

**What Happens After Year 2?**

- Plans may suggest changes to medications on the Single PDL, but State must ultimately approve any changes.
- Approved changes are implemented across all 5 plans.

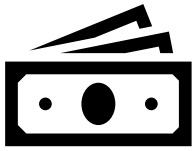
*All federally rebateable medications are covered; some medications are subject to clinical criteria as defined by the Department

# Vaccines

- Vaccines for Children (VFC) program
- NC Health Choice vaccines
- Medicare rates will be paid for COVID-19 vaccine
- **Pharmacist-administered vaccines will be billed to the plans in addition to Medicaid Direct***
- **Administration fees from medical providers will be billed to the plans in addition to Medicaid Direct***
- **Vaccine administration in managed care will be billable at pharmacies using point of sale (POS) or medical claims*; Medicaid Direct will still be billed via medical claims**

**New with Managed Care*

# What Can Pharmacies Expect?



## Payment From Plans

- All plans will reimburse providers within 14 days or less
- Interest and penalties apply to late payments
- Claims appeal process is managed by each plan

## COVID-19 Flexibilities

- Vaccine administration
- 14-day supplies
- 5% increase in dispensing fee
- **90-day fills***
- **Mail and delivery fees from local/community pharmacies***

## 340B

- Managed care plans will process 340B claims in the same way as Medicaid Direct
- 340B pharmacies will continue to require the 8 and 20 codes in the claim submission
- PDP claims from 340B providers will continue to require UD modifier

***Policy that will become permanent beyond the public health emergency**

# Network Adequacy

Plans must contract with "any willing provider"

Plans may not exclude independent pharmacies from participating

# We need your help sharing key messages!

## Partnering to Help Inform Beneficiaries

Key messages:

- Not all Medicaid beneficiaries will be under managed care plans; many will remain in Medicaid Direct
- Medicaid services will be administered and reimbursed by health plans, for those enrolled in a managed care plan
- Medicaid services will not change, but health plans may offer enhanced services to plan members
- Medicaid eligibility rules stay the same
- Managed care beneficiaries will have new insurance cards

# We need your help at launch!

## Partnering with DHB and The Plans

- **Day 1 Goal:**
  - Every beneficiary gets their medications as needed
  - Every pharmacy gets paid for medications dispensed
- **Mitigation strategies:**
  - Pharmacists can provide72-hr emergency fills
  - Medicaid Help Center
  - NC Tracks Portal to help rectify eligibility issues
  - Pharmacy rejection message from NC Tracks
  - Contact numbers to the health plans
  - DHB and plan help sheets
  - Plans will honor existing Prior Authorizations
  - Plans will cover Medicaid eligible nonparticipating or out-of-network providers for first 60 days

# PBM Billing Information

| Managed Care Organization | Corresponding PBM processor | BIN Number | PCN | Group Number |
|---|---|---|---|---|
| **Fee for Service (Medicaid Direct)** | NC Tracks | 610242 | 781640064 | N/A |
| **AmeriHealth Caritas NC** | PerformRx | 019595 | PRX00801 | N/A |
| **BCBSNC - Healthy Blue** | IngenioRx (back end CVS Caremark) | 020107 | NC | 8473 |
| **Carolina Complete Health** | Envolve (back end CVS Caremark) | 004336 | MCAIDADV | RX5480 |
| **United Health Care** | Optum Rx | 610494 | 4949 | ACUNC |
| **WellCare Health Plans** | CVS Caremark | 004336 | MCAIDADV | RX8904 |

# Pharmacy Rejection Message

The following rejection messages will be sent back to retail pharmacies who submit claims to NC Tracks after 7/1/2021, for beneficiaries who are enrolled in any of the 5 managed care plans.

- AmeriHealth Caritas member:
- **AF- Bill to AMHC BIN 019595 PCN PRX00801**

- Carolina Complete member:
- **AF- Bill to CCHE BIN 004336 PCN MCAIDADV GRP RX5480**

- Healthy Blue member:
- **AF- Bill to BCBS BIN 020107 PCN NC GRP 8473**

- United Healthcare member:
- **AF- Bill to UNHC BIN 610494 PCN 4949 GRP ACUNC**

- WellCare member:
- **AF- Bill to WCHP BIN 004336 PCN MCAIDADV GRP RX8904**

The beneficiary ID number is not sent back in the rejection message, but the ID number will be the same ID number that the pharmacy used to bill the initial claim to NC Tracks.

# Contact Information

- Outpatient Pharmacy Program web page:
- https://medicaid.ncdhhs.gov/providers/programs-services/prescription-drugs/outpatient-pharmacy-services
- Medicaid Transformation web page:
- https://medicaid.ncdhhs.gov/transformation
- Pharmacy Help Desk Contact Information:
- AmeriHealth Caritas: 1-866-885-1406
- Carolina Complete Health: 1-833-992-2785
- Healthy Blue: 1-833-434-1212
- United Healthcare: 1-855-258-1593
- WellCare: 1-866-799-5318, option 3
- NC Tracks: 1-800-688-6696

# Medicaid Pricing Update – *CVS Caremark*

CVS Caremark needs to make additional IT enhancements to support accurate reimbursement for the following pharmacy claims:

- Mail and delivery fees
- 340B
- Select DAW codes

These enhancements will be in place on 7/31/21, rather than 7/1/21.

Impacted Plans include:  Healthy Blue, WellCare, and Carolina Complete

******This delay in reimbursement WILL NOT impact Medicaid beneficiaries******

# Medicaid Pricing Update – CVS Caremark

**Mail and Delivery Fees**

- Providers will be reimbursed for delivery of Covered Items:
  - Delivery by mail or courier will be reimbursed a $1.50 delivery fee
  - In-person delivery will be reimbursed a $3.00 delivery fee
- The mail or delivery fee will be added to pharmacy claims only when requested by the pharmacy on the claim transaction.
- The mail or delivery fee payment is for a single claim, once per day, per beneficiary, per pharmacy unless other state exclusions apply (e.g., bundled payments).
- The mail or delivery fee must be submitted on a claim for a Covered Item.
- Claims for an emergency supply are not eligible for a delivery fee.
- Providers must submit the appropriate claim values to request a delivery fee:
  - Level of Service (NCPDP Field# 418-DI) value '02' = Mail or Courier
  - Level of Service (NCPDP Field# 418-DI) value '06' = Person to Person
- The delivery fee will be effective in the claims adjudication system on July 31, 2021, CVS Caremark will reprocess impacted claims retroactive to July 1, 2021. Impacted claims will be adjusted to reflect the appropriate reimbursement methodology.
- The Medicaid beneficiary must not be charged for the delivery fee.

******This delay in reimbursement WILL NOT impact Medicaid beneficiaries******

# Medicaid Pricing Update – *CVS Caremark*

**340B Claims Reimbursement**

- North Carolina Medicaid requires reimbursement of 340B claims using NADAC pricing without considering State MAC (SMAC) pricing in the lower of calculation.
- Effective July 1, 2021, some 340B claims may be reimbursed using SMAC pricing, when available, potentially resulting in lower reimbursement.
- The updated 340B reimbursement calculation will be effective in the claims adjudication system on July 31, 2021, and CVS Caremark will reprocess impacted claims retroactive to July 1, 2021. Impacted claims will be adjusted to reflect the appropriate reimbursement methodology.
- Pharmacists should continue to submit claims using the appropriate 340B modifiers.

****This delay in reimbursement WILL NOT impact Medicaid beneficiaries****

# Medicaid Pricing Update – *CVS Caremark*

**DAW Submission for Multi-Source Brand Drugs (Retail and 340B)**

- Effective July 1, 2021, claims for some multi-source brand drugs submitted with specific DAW codes (0,2,3,4,5,6) may not appropriately adjudicate the correct NADAC generic drug price in the lower of calculation.
- The updated multi-source brand reimbursement calculation will be effective in the claims adjudication system on July 31, 2021, and CVS Caremark may reprocess impacted claims retroactive to July 1, 2021. Impacted claims will be adjusted to reflect the appropriate reimbursement methodology.
- This is expected to result in overpayment of impacted claims, which will not be recouped by the plans.
- Please continue to submit accurate DAW codes per the CVS Caremark Provider Manual (Section 4.04), CVS Caremark Payer Sheets (www.caremark.com/pharminfo) and as specified by the State.

******This delay in reimbursement WILL NOT impact Medicaid beneficiaries******

# Medicaid Pricing Update – *CVS Caremark*

- Pharmacies should continue to submit all claims for Medicaid beneficiaries as normal beginning 7/1/21.
    - For mail and delivery fees: All other approved amounts on paid claims, which are Medicaid eligible, will still be paid effective 7/1/21; Only the delivery fee will be delayed until 7/31/21
    - For 340B: Submit as usual, including the appropriate modifiers.
    - For DAW: Continue to submit accurate DAW codes per the CVS Caremark Provider Manual (Section 4.04), CVS Payer Sheets (www.caremark.com/pharminfo) and as instructed by the State PDL.
- CVS Caremark will reprocess impacted claims retroactive to July 1, 2021. Impacted claims will be adjusted to reflect the appropriate reimbursement methodology.
- Communication to network pharmacies outlining these updates will begin the week of 6/14/21.

******This delay in reimbursement WILL NOT impact Medicaid beneficiaries******

# Medicaid Pricing Update – *CVS Caremark*

- Pharmacies will not need to do anything to have their claims corrected and reimbursed appropriately after 7/31/21.
- Late payments will be subject to interest and penalties, which will be due to the pharmacy (not to NC Medicaid).
- Interest and penalties for eligible claims will be paid to pharmacies for the period of late payment.
  - All interest and penalties will be generated automatically by the plans.
  - The pharmacy will not need to request or submit for these interests and penalties.
- Over payments made on eligible claims will not be recouped from the respective plans.
- A process has been established for pharmacies to apply for hardship payments during this period of inaccurate payments, if necessary. If you have questions, please go to www.caremark.com or contact:

**CVS Caremark Network Services at 1-866-488-4708**

******This delay in reimbursement WILL NOT impact Medicaid beneficiaries******

For assistance related to NC Medicaid Transformation, please email the address below:

Medicaid.transformation@dhhs.nc.gov